

*Joel Salmen*

TELEPHONE: 27500

CABLE ADDRESS: "BAHMINTOUR  
NASSAU"



BAY STREET  
P.O. BOX N 3701  
NASSAU, N. P.  
BAHAMAS

## MINISTRY OF TOURISM

### NASSAU, BAHAMAS

REF \_\_\_\_\_  
IN REPLYING PLEASE  
QUOTE THIS REFERENCE

20th February, 1992

Mr. Thomas E. Eidson  
President and Chief  
Executive Officer  
Hill and Knowlton, Inc.  
420 Lexington Avenue  
New York, N.Y. 10017  
U.S.A.

RECEIVED  
DEPT. OF JUSTICE  
CRIMINAL DIVISION  
92 APR -1 P2:14  
INTERNAL SECURITY  
SECTION  
COMMUNICATIONS UNIT

Dear Mr. Eidson:

I am pleased to confirm the appointment of Hill and Knowlton Inc. as the Public Relations agency for The Bahamas, worldwide, except for Canada.

This appointment is effective on the 1st of March, 1992 and shall continue in force until termination by you or us in accordance with the conditions hereinafter stated.

It is understood that this appointment covers Public Relations as an integral part of the Ministry of Tourism's marketing programs and Film Production solicitation. These efforts should result in a measurable impact on tourism growth and development, together with a heightened positive image and awareness of The Bahamas in general. It is also understood that this appointment is made by us and accepted by you with the following additional terms:

I. COMMITMENTS: No commitments to outside parties will be made by you on behalf of the Ministry unless authorized by us.

II. AGENCY SERVICES:

Agency will:

- 1) analyze and study The Bahamas marketing and promotional requirements and prepare recommendations for public relations, publicity, and other promotional plans as well as recommend synergistic strategies which can be integrated and supportive of the Ministry's advertising and sales plans and activities, as well as advise us on other public or Government relations as occasions arise.

- 2) purchase and engage facilities, talent and other outside services as may be required and authorized by the Ministry.
- 3) perform other appropriate services requested by us and mutually agreed upon.

### III. FEE COMPENSATION

- 1) Fee compensation and out-of-pocket budget will be determined for each calendar year in advance. Actual charges for the services of Hill and Knowlton, Inc. will be made at Hill and Knowlton's standard hourly rate for participating executives and staff as the same are required to carry out the programs and activities approved by the Ministry.
- 2) From time to time, Hill and Knowlton may be called upon to respond to or assist Client in connection with litigation commenced or threatened against Client (for example, in responding to a document subpoena). It is understood that Hill and Knowlton will be entitled to staff time charges and reimbursement of expenses for services rendered to Client or time spent by Hill and Knowlton in connection with such matters. This provision shall survive the expiration or earlier termination of this agreement.
- 3) It is understood that pursuant to the Foreign Agents Registration Act, Hill and Knowlton may be making reports of its activities to appropriate U.S. government regulatory agencies and that such reports will be available to the public.
- 4) Hill and Knowlton Inc. will subcontract to Caroline Jones Agency who shall have responsibility for all aspects of the following programs:

African American Public Relations

On-Shore Tourism Awareness

or any other programs as the Ministry of Tourism shall, in its discretion, see fit.

The budget for 1992 will be communicated to you by February 20, 1992. Thereafter during the continuation of this appointment, annual budgets will be communicated to you during the month of December.

### IV. PAYMENT

- 1) The said FEE COMPENSATION will be remitted to Hill and Knowlton Inc. in eight (8) payments, the first being made on April 1st, 1992 and the last on November 1st, 1992. Thereafter during the continuation of this appointment the said FEE COMPENSATION will be remitted to Hill and Knowlton, Inc. in ten (10) payments, the first being made on February 1st and the last on November 1st.

- 2) All other expenses will be invoiced by you at net cost with appropriate back-up on a monthly basis. We shall remit to Hill and Knowlton Inc. quarterly in advance against these expenses and the account will be reconciled each quarter.

V. PUBLIC STANDARDS:

You will endeavour in accordance with highest industry standards to assure the accuracy, legality, and propriety of information concerning Bahamian products and services which are supplied to you. We shall maintain in our possession and make available to you adequate substantiation for claims and representations regarding Bahamian products or services made in all public relations material and other matters published or otherwise disseminated to the public by your agency.

Nothing in this agreement shall be deemed to require that you undertake or do any act or perform any service which, in your judgement, would be false, misleading, libelous, unlawful or otherwise prejudicial to our mutual interest.

VI. INDEMNIFICATION:

You should obtain releases, licenses, permits and other authorization to use photographs, copyrighted material, art work or any other property or rights belonging to third parties (except Trademarks unknown to you) obtained by you for use in performing services for us and shall save us harmless from all claims, demands, expenses (including reasonable attorney's fees), liabilities, suits and proceedings (including any brought in or before any court, administrative body, arbitration panel or other tribunal) against or involving us on account of or arising out of such use or by virtue of any act done or omitted by you and which was not previously authorized by us. We shall obtain the same for any such items obtained by us which are used by you in performing such services and shall similarly save you harmless with respect to such use, and from all claims, demands, expenses (including reasonable attorney's fees), liabilities, suits and proceedings (including any brought in or before any court, administrative body, arbitration panel or other tribunal) against or involving you on account of or arising out of any assertions, claims, slogans, headlines, or the like, made for any Bahamas product or services or any of the products or services of our competitors in any publicity material or any other material which we provide to you or which you may prepare for us and which we approve before its publication, broadcast or other dissemination, to the public as well as for claims, demands, expenses, liabilities, suits and proceedings as set forth above, arising out of the nature or use of Bahamas products or services. This provision shall survive the expiration or earlier termination of this agreement.

## VII. INSPECTION:

All of your contracts, correspondence, books, accounts and other sources of information relating to our business including time sheets, vendor invoices and activity reports will be made available at your office on reasonable prior notice for inspection by our authorized representatives during ordinary business hours. It is understood that the above does not include Hill and Knowlton's salary data, overhead costs or other non-billable items.

## VIII. PROGRAMS AND REPORTS

- 1) You will prepare and submit for approval a public relations program, in a format to be mutually agreed, for each calendar year in the preceding October of each market worldwide to be identified by the Agency and the Client. The 1992 Action Plan will be presented in New York on March 5, 1992.
- 2) You agree to provide us with monthly progress reports on or before the 15th of the following month.

## IX. DURATION OF AGREEMENT:

- 1) This agreement shall remain in force until terminated by either party giving the other party notice by registered letter to its place of business at least ninety (90) days prior to termination.
- 2) Unless otherwise agreed by you following notice of termination, your rights, duties and responsibilities shall continue in full force and effect during the period of notice (whether it be ninety (90) days or more) and you shall be entitled to all fee compensation and applicable expenses for that termination period. (The fee compensation shall be adjusted on a pro rata basis in accordance with the date of termination). This provision is not in the nature of a penalty but is to permit orderly adjustment of your personnel allocation and financial planning, and allow us to utilize public relations services other than yours even though this agreement has come to its end.
- 3) In the event that a new letter of agreement has not been executed for the following year by December 31 of the current contract year and no notice of termination has been given by either party, this agreement shall remain in effect (i.e., fees with applicable expenses shall be the same as the prior contract year until such time as a new budget has been agreed, and it being understood such budget provisions shall be retroactive to January of the new contract year).

TERMINATION

- 1) After expiration of the period of notice, no rights or liabilities shall arise out of this relationship, except as provided in paragraph VI above, regardless of any plans which may have been made for future public relations services, except that any non-cancellable contract made on our authorization (or any uncompleted work previously approved by us either specifically or as part of a plan), and still existing at the expiration of the period of notice, which contracts were or could not be assigned by Agency to us or our assignee, shall be carried to completion by you and paid for by us.
- 2) Upon termination of this agreement, you shall transfer, assign and make available to us, or our representative, all property and materials in your possession belonging to and paid for by us, and all information regarding our public relations program. You also agree to give all reasonable cooperation toward transferring with approval of third parties in interest all assignable reservations, contracts and agreements with the media, or others, for space, broadcast time or materials yet to be used and all rights and claims thereto and therein upon being duly released from the obligation thereof.
- 3) Upon termination, public relations plans and ideas prepared by you for us whether or not used by us prior to the date of termination may be used by either party.

XI. RELATIONSHIP:

Agency is acting as a Bahamas Ministry of Tourism agent in rendering services herein, including but not limited to, the making of purchases herein (only to the extent approved by Client).

XII. FORMATION OF BAHAMIAN REGISTERED COMPANY:

A Bahamian Registered Company will be formed with whom a formal contract will be executed. Until such time as a formal agreement is entered into, this letter agreement shall constitute the agreement between the parties.

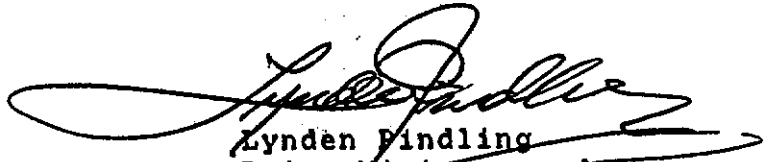
XIII. GOVERNING LAW:

This letter shall be construed in accordance with and be governed by the Laws of the Commonwealth of The Bahamas.

If you are in agreement with the above, would you sign both copies of this letter in the space provided, and return one copy for the Ministry of Tourism's records.

We look forward to a long and mutually beneficial relationship.


Sincerely,



Lynden Pindling  
~~Prime Minister and~~  
~~Minister of Tourism~~

ACCEPTED AND AGREED:

Agency: Hill and Knowlton Inc.



Thomas Eidson, President & Chief  
Executive Officer

March 27, 1992  
Date